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December 11, 2000

Sent via e-mail and either hand delivery or U.S. mail

Mary L. Cottrell, Secretary
Massachusetts Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

Re: Verizon New England, Inc. d/b/a Verizon Massachusetts' Sixth Annual Price Cap Compliance Filing, D.T.E. 00-101

Dear Ms. Cottrell:

Pursuant to the procedural schedules adopted in this proceeding by the Department of Telecommunications and Energy (the "Department"), the Attorney General submits this letter as his Reply Comments on Verizon New England, Inc. d/b/a/ Verizon Massachusetts' ("Verizon") Sixth Annual Price Cap Compliance Filing ("Filing"). The Attorney General has reviewed the initial comments of AT&T Communications of New England, Inc. ("AT&T"), New England Public Communications Council, Inc., and Michael A. Sullivan. Except as specifically stated in this letter, this review has not caused any change in the positions set forth in the Attorney General's initial comments. (1)

In these Reply Comments, the Attorney General urges the Department to allow the proposed revenue reductions to take effect on December 15, 2000, except for those services that the Department may be able to identify and determine would be directly and significantly affected by revisions in the price floor calculations.

During the December 6 public hearing, the Department solicited guidance on how to allow the proposed rate reductions to go into effect on December 15, 2000, and subsequently incorporate price floor revisions (Tr. Vol. A at 5-9). Department staff

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indicated there might be some technical difficulty in revising rate reductions once they were in place (id. at 9).

The Attorney General recommends that, if the Department can identify specific rate elements that are likely to be directly and significantly affected by potential revisions in the price floor calculation, then it should suspend only those particular changes to those rate elements. The Department should then allow all other rate reductions to take effect on December 15, 2000. (2) This process should minimize any technical difficulties which could arise from imposing one set of rates on December 15 and another set sometime next year. (3)

If the Department is unable to identify any specifically affected rate reductions, however, the Attorney General urges the Department to allow all rate reductions to go into effect as proposed. Whether various rates might be reduced as a result of AT&T's price floor challenges is, at best, speculative at this time because the Department has not yet resolved the pending issues in the Price Floor docket, DPU 94-185-E (AG Initial Comments at 2). (4) Consumers should not be forced to forgo price reductions unnecessarily. Unless the Department identifies specific rate reductions that are likely to be affected by AT&T's claims, the Department has little ground on which to base a decision to delay proposed rate reductions.

Sincerely,

Karl en J. Reed

Wilner Borgella, Jr.

Assistant Attorneys General

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COMMONWEALTH OF MASSACHUSETTS

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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Verizon New England, Inc. d/b/a)
Verizon Massachusetts' Sixth Annual Price Cap) D.T.E. 00-101
Compliance Filing)
_____)

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon each person designated by the Secretary to the Department by e-mail and either hand delivery or U.S. mail.

Dated at Boston this 11th day of December 2000.

Wilner Borgella, Jr.
Assistant Attorney General
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1. Attorney General's Initial Comments, filed December 4, 2000.
2. The Attorney General has issued information requests to Verizon on this matter concurrent with the filing of his Reply Comments.
3. The Department has allowed the parties to conduct discovery on the price floor calculations, and the parties can request evidentiary hearings should discovery reveal factual disputes regarding Verizon's price floor calculations (Tr. Vol. A at 10-11); See Section B, Tab 3, pages 1-4.
4. The remainder of AT&T's claims regarding the treatment of new services, the permissibility of using wholesale services data in evaluating price cap compliance, and Verizon's failure to serve copies of cost studies regarding new services on parties other than the Department have no bearing on whether the rates should be suspended. These remaining legal issues should be handled through the filing of subsequent comments or briefs.

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